United States Environmental Protection (EPA) Agency Region 4

Air Enforcement and Toxics Branch

Inspection Report

I. GENERAL INFORMATION

Facility Name: Annie Hill

Location (Address): Hilcorp Energy Company
12303 Roberts Road
Chunchula (Mobile County), AL

Inspection Date: August 16, 2017

Type of Inspection: Partial Compliance Evaluation (PCE) [Tanks and Flares]

ICIS-Air Number: 0109702022

EPA Investigator(s)/Inspector(s): Nikki Radford, Environmental Engineer
Kevin Taylor, Environmental Engineer
Megan Arias, Environmental Engineer
Carrie Griffith, Environmental Engineer

State/Local Investigator(s)/Inspector(s): Jennifer Youngpeter, ADEM
Harlotte Bolden Wright, ADEM

Person(s) Contacted at Facility (Name and Title): Greg Singleton, Field Operator

Report Prepared by: Megan Arias

II. FACILITY INFORMATION

A. Facility and Permit Information

Facility and Permit Information	Comments
1. Type of facility (e.g., chemical plant, refinery, cement manufacturer, etc.).	The facility is a gas and oil production, treating, and processing site. It receives a mixture of gas and oil from three wells and then the mixture goes through a three phase separator and then to a heater treater.

2. Air permit number(s) and type of permit (e.g., Title V, PSD, Synthetic Minor, etc.).	Synthetic Minor Permit No. 503-4005-X003
3. Air permit issuance date.	August 16, 2016
4. Air permit expiration date.	N/A
5. Facility classification (Major, Synthetic Minor/Conditional Major, Minor).	Synthetic Minor
6. Major source pollutants (if applicable).	N/A
7. Applicable regulations (e.g., State Implementation Plan, MACT Subpart FFFF, NSPS Subpart EEEE, etc.).	40 CFR Part 60 Subpart Ka 40 CFR Part 63 Subpart ZZZZ
8. Types of air emission points (e.g., tanks, process vents, boilers, etc.).	Tanks, ~~F~~flare, ~~P~~pressure ~~R~~relief ~~V~~valves (PRV)
9. Types of air pollution control equipment (e.g., baghouse, scrubber, afterburner, etc.).	Vapor Recovery Unit (VRU) Flare

B. Process Description (provide narrative or attach description provided by the company or excerpts from the permit)

The oil and gas mixture is received from the three wells connected to the facility and sent through an oil/gas/water three-phase separator for processing. -The resulting oil/water mixture, also known as condensate, is then sent through a vertical heater treater that uses heat to break oil-water emulsions so the oil condensate can further be refined and stored for transport to the oil processing facility.

III. INSPECTION ACTIVITIES

Activity	Yes No NA	Comment
Opening Meeting		
1. Date and time entered the facility.	Yes	On August 16, 2017, at 11:30 a.m. (CDT), the EPA Region 4 inspectors and the Alabama Department of Environmental Management (ADEM) inspectors (collectively called "the inspectors") arrived at the facility.

2. Credentials presented to facility personnel (include name and title).	Yes	The EPA Region 4 inspectors showed their government credentials.
3. Conducted an opening meeting to explain the purpose and objectives of the inspection.	Yes	Kevin Taylor, one of the EPA Region 4 inspectors, led the opening meeting.
4. Discussed safety issues.	Yes	Personal protective equipment (PPE) was discussed.
5. Discussed which records to be reviewed.	Yes	
6. Discussed the facility walk-through and the areas to be observed in the facility.	Yes	
7. Discussed facility policy regarding photographs or video (if applicable).	Yes	
8. Discussed the use of the infrared camera, TVA, PID, and any other equipment.	Yes	The EPA Region 4 inspectors discussed the use of the ~~Forward Looking Infrared (FLIR)~~ infrared camera, 4 gas personal safety monitors, and the TVA.
9. Discussed CBI.	Yes	Discussed policy ~~with~~ about video, ~~/~~ photograph~~s and~~ confidentiality. Also discussed records ~~and~~ confidentiality.
Records Reviewed at the Facility		
10. The types of records reviewed and the time period reviewed.	Yes	EPA Region 4 inspectors requested to see the gas property of gas streams going to the flare, specifically the volatile organic compound (VOC) content, the hydrogen sulfide (H_2S) content, the net heating value of the gas stream for the flare, the exit velocity of the gas stream going through flare, and the results of any cover and closed-vent system inspections for the last year. EPA Region 4 inspectors also requested any documentation to verify the 95% reduction of VOCs from the closed vent system controls connected to the two condensate storage tanks.
Facility Walk-Through Observations		
11. The process equipment observed and the associated operational rate observed (e.g., Furnace 1 production rate was 5 lbs/hr on	Yes	The inspectors walked through the facility and observed two condensate tanks, the flare, and the heater treater. The inspectors

Commented [RT1]: Who from the company were the credentials presented to?

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1/1/15, at 2:00 pm – permit requires max rate at 6 lbs/hr). Provide the date and time the information was recorded by the inspector. Identify the permit limit (if applicable). An attachment may be used for a large amount of information.		also observed the portion of the facility that was no longer in operation.
12. The type of process parametric monitoring observed and the associated value observed (e.g., Furnace 1 flux injection rate was 200 lbs/batch at 1/1/15, at 2:00 pm – permit requires max rate at 225 lbs/batch). Provide the date and time the information was recorded by the inspector. Identify the permit limit (if applicable). An attachment may be used for a large amount of information.	N/A	
13. If process equipment or parametric monitoring equipment was not operating, state the reason by facility personnel why the equipment was not operating.	Yes	The VRU is a split unit with two sides, a north and south side. The south VRU was sent for repair so, at the time of the inspection, only the north VRU was operating.
14. The type of air pollution control equipment, the process equipment it is controlling, and the associated parametric monitoring value observed (e.g., baghouse	Yes	The facility is required to operate a closed vent system for its condensate tanks. The emissions from the tank are collected by the VRU. The VRU then sends the emissions to the flare for destruction.

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pressure drop, temperature, scrubber flow rate, etc.). (For example - RTO 1 controlling furnace 1, 1,500 degrees F on 1/1/15, at 2:00 pm – permit requires 1,400 degree F or higher). Provide the date and time the information was recorded by the inspector. Identify the permit limit (if applicable). An attachment may be used for a large amount of information.		There is no parametric monitoring required and no parametric monitoring was observed at the time of the inspection.
15. Continuous emissions monitoring devices and values observed. (e.g., CEMS, COMs, etc.). Provide the date and time the information was recorded by the inspector. Identify the permit limit (if applicable). An attachment may be used for a large amount of information.	N/A	
16. If air pollution control equipment was not operating, state the reason by facility personnel why the equipment was not operating.	N/A	
17. Capture and collection system (enclosures and hoods) observations, if applicable (e.g., the magnitude and duration of emission escaping capture from the hood).	N/A	

18. Ductwork transferring the emissions to the air pollution control device observations, if applicable (e.g., the magnitude and duration of emission escaping from the ductwork, holes or deterioration in ductwork, no deterioration observed, etc.).	Yes	No deterioration was observed of the ductwork.
19. Any existing unpermitted emission points, new unpermitted emission points, or non-permitted construction activities observed. (if yes, describe in the comments field).	No	
20. Were any visible emissions observed? (if yes, identify the location and equipment).	Yes	The two condensate tanks are subject to NSPS 40 CFR Part 60, Subpart OOOOa, which requires a closed vent capture system for tank emissions. However, the facility has installed a header pipe that is shared by the two tanks. The tank emissions are manifolded into the header pipe and, on one end of the pipe, the emissions are sent to the VRU. At the opposite end of the pipe, a pressure relief valve (PRV) is installed, followed by the open end of the pipe. At the time of the inspection, a vapor signature could be seen exiting the PRV side of the pipe with the naked eye. The VOC emissions were clearly visible when observed using the ~~FLIR~~infrared camera. The inspectors also observed emissions at the processing area that is no longer in operation. During the inspection, the inspectors observed two lines that were connected to the old sweetened fuel line coming from the Hilcorp Energy Company 's Hatter's Pond facility. The fuel line, when it was in operation, would enter the Annie Hill facility and would be processed through a wet scrubber before being used as

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		fuel for the production areas. Since the production areas have been shutdown, the two lines were disconnected from the wet scrubber and capped. At the time of the inspection, the ~~FLIR~~infrared camera indicated that there were VOC emissions ~~coming~~ emitting from the capped ends of both pipes.
21. Was a Method 9 reading performed? (if yes, identify the location and equipment).	No	There was no ~~opacity~~emissions visible to the naked eye, only a vapor signature.
22. Was the cause of the visible emissions investigated and the information documented?	Yes	The discussion about the cause with the facility personnel was documented.
23. Was a Method 22 performed for visible emissions? (if yes, identify the location and equipment).	No	
24. Identify the cause of the visible emissions as explained by facility personnel, if applicable.	Yes	For the condensate tanks, the facility personnel stated that they would investigate the settings for the VRU (the pressure settings that activates the unit) and the pressure setting of the PRV. For the two fuel lines, the facility personnel were going to attempt to recap the lines with a better sealant.
25. Was the infrared camera used? If so, attach the video log (which includes the equipment ID, and the date and time the video was recorded) and videos to this report.	Yes	The video log is attached as Attachment A. Note that the camera date and time were incorrectly set to 12/31/1999 and 11:54 p.m.
26. Was the TVA used? If so, identify the equipment monitored and the results.	No	

Commented [GCS]: Was the time/date stamp correct for these videos? If not, include Note that the camera date and time were incorrectly set to 12/31/1999 and 11:54 AM." and change this as applicable.

Provide the date and time the information was recorded by the inspector. Include actual instrument readings for each piece of equipment monitored above the leak definition and/or where the infrared camera identified a release. An attachment may be used for a large amount of information.		
27. Was the PID used? If so, identify how the PID was used and the results. Provide the date and time the information was recorded by the inspector. An attachment may be used for a large amount of information.	N/A	
Closing Meeting		
28. Conducted a closing meeting.	Yes	
29. Summarize any additional information needed, if applicable?	N/A	
30. Accept a declaration of CBI, if applicable?		No material claimed as CBI at the time of the inspection. However, the facility will still have a chance to make a claim after the inspection is concluded.
31. Discussed observations.	Yes	
32. Discussed next steps, if applicable?	Yes	EPA Region 4 inspectors discussed who should receive the videos and inspection reports: Greg Singleton and Jeanine Garcia will both receive copies.
33. Date and time inspection concluded.		The inspection ended August 16th at 2:05 p.m. (CDT).
Miscellaneous		
34. Include any additional observations, if applicable.	N/A	

Commented [RT6]: Who from the company was present?

Commented [RT7]: What does this mean? If the company gave you documents during the inspection that you kept, then they will not get another opportunity to claim it as CBI. They will only get this report to review for CBI.

EPA Investigator/Inspector Signature: _____

Date Report Finalized: _____